

## WASHINGTON STATE GAMBLING COMMISSION

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### MINUTES COMMISSION MEETING THURSDAY, MARCH 10, 1994

**Chairman Tull** called the meeting to order at 1:50 p.m. at the Nordic Inn Hotel in Aberdeen, Washington.

**MEMBERS PRESENT:**                      **ROBERT M. TULL, CHAIRMAN; WANDA MOSBARGER, VICE CHAIR; and PATRICK GRAHAM.**

**OTHERS PRESENT:**                      **NEAL NUNAMAKER, Deputy Director; SHARON TOLTON, Assistant Director, Special Operations; BEN BISHOP, Assistant Director, Licensing; CALLY CASS-HEALY, Financial Investigations; JONATHAN McCOY, Assistant Attorney General; KIM O'NEAL, Assistant Attorney General; and SUSAN GREEN, Executive Secretary.**

**Chairman Tull** said that Commissioner Divine was scheduled to be absent today and tomorrow. The Governor has appointed a fifth commissioner, Edward Heavey, who will be present tomorrow. One change to the published agenda is that two of the manufacturers up for certification will be on tomorrow's agenda instead of today's, so that Commissioner Heavey can be present.

#### **DEFAULT HEARING**

**Joseph D. Skoflanc, Case #93-1516. Denial of License to operate as a card room employee, license #211-68-02919**

**Chairman Tull** asked if Mr. Skoflanc was present; no one came forward. **Commissioner Graham** moved to approve the findings, conclusions, decision and final order of default; **Commissioner Mosbarger** seconded the motion; motion carried with three aye votes.

Director Miller is absent today, so the staff reports are moved to Friday.

#### **LICENSE APPROVALS**

##### **NEW LICENSES, CHANGES, WITHDRAWALS, and TRIBAL CERTIFICATIONS**

**Mr. Bishop** said that Elsinore Management Company will be presented by Ms. Cass-Healy. There is a request for the Commission approval list of the normal licenses to be corrected in three areas. Page two, under punchboards and pull tabs for Dr. J's should be stricken from the list. On page 6, Fortunet Inc., should be Class A (not Class B); and Fortunet will not be voted on with this packet because it will be taken up tomorrow instead. On page 7, Dr. J's should again be stricken from the list.

#### **Elsinore Corporation**

**Ms. Cass-Healy** said they applied for certification to work with the Jamestown S'Klallam Tribe, located in Blynn, Washington. Elsinore is doing business as Olympia Gaming Corporation and owns 100 percent of the stock of Olympia Gaming, its subsidiary. Frank L. Burrell, Jr. is the only stockholder of record above 10 percent at this time. The registered agent for Olympia Gaming Corporation is Thomas Grohman, of Lane Powell Spears and Lubersky, Seattle, Washington. Staff recommends certification of Olympia Gaming Corporation to work with the Jamestown S'Klallam Tribe. She said there are two representatives from

Olympia Gaming in the audience to answer questions.

**Commissioner Graham** asked if, once approved to work with one tribe, would they also be able to work with other tribes automatically; **Ms. Cass-Healy** said they have applied for certification with this particular tribe and would have to go to other tribes and re-apply to work with them and go through the certification process again.

**Commissioner Mosbarger** said item three mentions financial problems and asked if those are under control now; **Ms. Cass-Healy** said yes, the majority of the problems occurred over ten years ago. **Commissioner Graham** moved for certification of the Elsinore Corporation, d/b/a Olympia Gaming Corporation; **Commissioner Mosbarger** seconded the motion. **Chairman Tull** said the commissioners have reviewed a detailed report prepared by staff that supports the motion. Vote taken; motion carried with three aye votes.

**Chairman Tull** said Bingo Card Minder and Fortunet will be heard tomorrow.

**Commissioner Mosbarger** moved that the licenses, changes, withdrawals and tribal certifications be acted on in accordance with the recommendation of Commission staff, with the corrections based on Mr. Bishop's comments. **Commissioner Graham** seconded the motion, motion carried with three aye votes.

#### **REVIEW OF FRIDAY'S AGENDA**

**Sharon Tolton** said item three contains 18 rules filed in January that are up for discussion and final action tomorrow; staff requests an effective date of July 1, 1994. Item four contains nine rules for discussion and possible filing, all of which are housekeeping changes that have been held until now because of the large volume of rules that have been on the agenda in recent months. These changes need to be finalized before the printing of the new rules manual. **Ms. Tolton** said the petition on the agenda is postponed at the request of the petitioner. She said the director requested an executive session after the meeting tomorrow to discuss investigations, negotiations and personnel issues. He will also have staff reports tomorrow, including an update on legislation.

#### **RECERTIFICATION REVIEWS**

##### **40 et 8 #99, Vancouver**

**Ms. Cass-Healy** said they are a patriotic organization with a Class "K" bingo license, and also hold a Class "L" punchboard/pull tab license. Their statement of purpose is "to uphold and defend the Constitution of the United States; to maintain law and order; to foster and perpetuate Americanism; and to serve the needs of worthy veterans." There are 60 voting members. Charitable services are provided mainly through contributions or scholarship awards through four national programs: Americanism, Child Welfare, Nurses Training, and American Athletic Union Program. They gave about \$112,000 in contributions and scholarships last year. Staff recommends recertification as a patriotic organization. **Commissioner Graham** moved for recertification; **Commissioner Mosbarger** seconded the motion; motion carried with three aye votes.

##### **American Red Cross/Cowlitz County, Longview**

**Ms. Cass-Healy** said they are a charitable organization with a Class "H" bingo license, and also hold a Class "F" punchboard/pull tab license. Their statement of purpose is "to improve the quality of human life; to enhance self-reliance and concern for others; and to avoid, prepare for and cope with emergencies." There are 22 voting members. Charitable services include six major programs: disaster services, military social services, blood collection, health and safety program, youth activities, and public and professional education. They served 23,000 members of the general public and provided more than 300,000 in program services. Staff recommends recertification as a charitable organization. **Chairman Tull** said the Commission would vote on these organizations as a group.

##### **Amvets Post #1, Tacoma**

**Ms. Cass-Healy** said they are a patriotic organization with a Class "H" bingo license, and also hold a Class "I"

punchboard/pull tab license. Their statement of purpose is "to encourage fellowship amongst all veterans; to keep the public forever reminded that veterans fought or served to preserve peace; to actively assist in the rehabilitation of veterans through employment services, funding educational endeavors, and providing counsel on insurance, housing, recreation, personal problems, hospitalization, and benefits." There are 1,320 voting members, and they accomplish their purpose through donations to the Amvets Service Office and through charitable donations. Direct program services and contributions last year totalled \$110,000. Staff recommends recertification as a patriotic organization. **Commissioner Graham** asked about the organization's administrative expenditures; **Ms. Cass-Healy** said staff needs to provide them with training on the new rules. The problem is in their allocation. **Commissioner Graham** said their net revenues show they are heavily dependent on gambling. **Mr. Bishop** said he looked at the financial statements provided by the organization and they also provided internal financial statements; it is his opinion that they have problems with allocating funds and it will take some training to educate them on the proper reporting procedures.

#### **Association of Retarded Citizens, Kitsap County, Bremerton**

**Ms. Cass-Healy** said they are a charitable organization with a Class "G" bingo license and also hold a Class "H" punchboard/pull tab license. Their statement of purpose is "to provide services and improve living conditions for the developmentally disabled." There are 16 voting members and provide services through workshops, job training and counselling for the developmentally disabled living in Kitsap County. They served approximately 14,000 clients last year and direct program services amounted to about \$250,000. Staff recommends recertification as a charitable organization.

#### **Ludlow Foundation, Lacey**

**Mr. Cass-Healy** said they are a charitable organization with a Class "F" bingo license and also hold a Class "J" punchboard/pull tab license. Their statement of purpose is "to operate exclusively for religious, charitable, scientific, literary, or educational purposes while providing jobs for the mentally and physically handicapped." They have 16 voting members; services are provided through grants and scholarships to organizations and individuals in the community. Contributions and scholarships amounted to about \$33,000 last year. Staff recommends temporary recertification pending settlement of current administrative actions.

**Commissioner Graham** asked if Colleen Bellows is any relation to A. Ludlow Kramer; **Ms. Cass-Healy** and **Mr. Bishop** said not to their knowledge. **Mr. Bishop** said there is a relationship in the fact that they are both partners in a business venture in Montana. **Commissioner Graham** asked if Ms. Bellows is a resident of Washington state; **Mr. Bishop** said he assumes she is because she's the day-to-day manager of the bingo game. The partnership is a bingo game in Montana. They are presently under temporary certification; the case has been going on now for 30 months. **Commissioner Graham** requested that the Ludlow Foundation appear before the Commission at the next meetings and recommended their license remain on a temporary status until they have a formal hearing. **Chairman Tull** asked if it's known where the administrative case will be at that time, because he does not want the Commission to accidentally jeopardize the case; **Mr. Bishop** said there is a proposed settlement agreement pending, and a counter-offer to a request for settlement was sent to their attorney a week ago by WSGC staff. **Chairman Tull** said, for now, they'll assume the timing will be right by then to have them appear before the Commission. But if it's not, staff will contact the Commission to make a determination prior to next month's meeting. He said there are many concerns with this organization, and there have been rules passed in the last couple of years to help manage these types of problems that have occurred with this and other organizations. He said the Commission is prepared to do what's necessary to bring this group into compliance.

**Chairman Tull** said there is a consensus of the commissioners present to schedule a review of the Ludlow Foundation for April 14, Thursday, at the meeting in Lynnwood.

#### **Silver Buckle Rodeo Club, Vancouver**

**Ms. Cass-Healy** said they are an athletic organization with a Class "H" bingo license, and also hold a Class

"G" punchboard/pull tab license. Their statement of purpose is "to encourage participation and support youth in equestrian events and studies." They have 36 voting members. They encourage youth ages 6-24 to develop equestrian interests through participation in the club. They served approximately 4,000 people last year with a total of approximately \$86,000 in program services and contributions. Staff recommends recertification as an athletic organization.

**Commissioner Graham** said this is one of the finest recoveries he's seen in his tenure on the Commission, and he moved for recertification; **Chairman Tull** said he concurred with Commissioner Graham; vote will be taken on this group together at the end.

#### **Sound Institute/Family and Children Services, Bremerton**

**Ms. Cass-Healy** said they are a charitable organization with a Class "H" bingo license, and also hold a Class "J" punchboard/pull tab license. Their statement of purpose is "to engage in community action programs in order to assist young people whose earlier experiences, backgrounds, and problems in life have demonstrated the need for having group housing and counseling." Even though the report says they only have 10 voting members, they actually have 15 now. The group took care of the problem of not enough voting members after being contacted by staff. Direct services are provided by four major programs: residential services, outpatient treatment services, educational scholarship programs and community education services. Direct program services were over \$1,300,000, and staff recommends recertification as a charitable organization.

**Commissioner Mosbarger** moved for recertification of these five organizations -- minus the Ludlow Foundation; **Commissioner Graham** seconded the motion. **Mr. Bishop** clarified that the Ludlow Foundation presently has a temporary certification that would be continued until the next meeting. Vote taken, motion carried with three aye votes.

**Chairman Tull** said there will not be an executive session this afternoon, except possibly with regard to this appeal. This is the last item today, there will be no more public discussion following this hearing and executive session. He called for a 2-minute recess in order to get people in place for the hearing.

#### **APPEALS HEARING\*\***

#### **The Shed, Inc. d/b/a/ The Pine Shed Restaurant. Case #93-0691. Hearing to Appeal Revocation of Punchboard/Pull Tab, Amusement Game and Public Card Room licenses.**

**Chairman Tull** explained the hearing process and heard testimony from Donald D. Hackney, counsel for The Shed, Inc; and from Kim O'Neal, Assistant Attorney General representing the staff of the Gambling Commission. This was followed by a rebuttal by Mr. Hackney, and questions from the commissioners of all parties. **Chairman Tull** called for an executive session and said there would be no further public session today. He said that, if a decision was reached during executive session, it would be announced at tomorrow's public session and the petitioner would be notified of the outcome.

Meeting adjourned until Friday at 10:00 a.m.

**\*\* For complete transcript of this hearing, contact Susan Green, WSGC, (206) 438-7654 ext. 302. \*\***

## WASHINGTON STATE GAMBLING COMMISSION

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### MINUTES COMMISSION MEETING FRIDAY, MARCH 11, 1994

**Chairman Tull** called the meeting to order at 10:04 a.m. at the Nordic Inn, Aberdeen, Washington.

**MEMBERS PRESENT:**                      **ROBERT M. TULL, CHAIRMAN; WANDA MOSBARGER, VICE CHAIR; PATRICK GRAHAM and EDWARD HEAVEY**

**OTHERS PRESENT:**                      **FRANK MILLER, Director; SHARON TOLTON, Assistant Director, Special Operations; NEAL NUNAMAKER, Deputy Director; BEN BISHOP, Assistant Director, Licensing; JONATHAN McCOY, Assistant Attorney General; and SUSAN GREEN, Executive Secretary.**

**Chairman Tull** introduced the newest commission member, Judge Edward Heavey. He is a retired superior court judge, former county council person, and former legislator, who currently works as a mediator.

#### **APPROVAL OF THE MINUTES FROM THE JANUARY 13-14, 1994, MEETING**

**Commissioner Mosbarger** moved for acceptance of the minutes from the Jan. 13-14, 1994, Commission meeting in Spokane as set forth and printed in the agenda packet; **Commissioner Graham** seconded the motion, motion carried.

#### **STAFF REPORTS**

##### **LEGISLATION**

**Director Miller** gave reports on legislation, the agency headquarters office remodeling project, and tribal gaming. He said House Bill 2228, task force legislation, passed both houses and is on its way to the Governor. This is a major piece of legislation that reinforces the current policies in the state and codifies the public policy declaration on gambling in the state of Washington, which is to keep the criminal element out of gambling through strict regulation, control and limitation. It also clarifies the ban on gambling devices, including but not limited to slot machines, video pull tabs, video poker machines and all other electronic games of chance. These devices are prohibited as a matter of state law.

**Director Miller** said the bill also makes the gambling seizure statute now consistent with the drug seizure statute. The money seized from illegal operations will now come directly to the agency to help fund the program. The bill also directs the Gambling Commission, Lottery Commission and Horse Racing Commission to continue their educational programs that require the posting of educational information in the licensed establishments. Last month, there was an industry request for the Gambling Commission to contribute more money to the problem gambling area, but he is not prepared to respond yet. The bill also limits the Lottery Commission to offer any on-line game only once every 24 hours. It also gave the Gambling Commission the authority to have up to three assistant directors instead of just two. Overall, the bill reaffirms Gambling Commission policy and gives good guidelines for the future. The bill has an emergency clause saying it becomes effective upon signature by the Governor.

**Chairman Tull** asked about the arrangement with other law enforcement entities involved in the gambling raids and if there is a plan on how to split the seized items and money; **Director Miller** said it is normally split

and there are agreements in advance as to how the split will be made.

**Director Miller** said HB 2382 also passed both houses and was sent to Governor Lowry. It was sponsored by the Recreational Gaming Association and the Washington State Licensed Beverage Association. The Gambling Commission supported this bill. It allows the card room rents to go up to \$3 per half hour, which is a market-determined issue. It also amended the definition of commercial stimulant by removing the words "incidental" and "primarily." It gives the Gambling Commission greater flexibility to administer this provision of the law. It will not change who can participate in pull tabs, punchboards and card rooms; it will still be only those businesses that are established and primarily engaged in the sale of food and drink. Staff will meet with licensees to look at ways to streamline the entire area. It is not an expansion of gambling. HB 2228 and 2382 are the only two gambling-related bills to pass. He said the regulatory reform bill, HB 2510, will affect the rule making process and he will have a briefing later on this bill. **Director Miller** said there has been dialogue started with the manufacturers in the area of pricing. Distributors will be brought into the discussion soon. The issue is the manner in which the product is sold to distributors in the state and if it constitutes credit. There will be a distributors meeting soon, and this group is challenging to work with due to differing viewpoints.

### **AGENCY REMODEL PROJECT**

**Director Miller** said the remodeling project at headquarters is now in progress. The lease expired in February, and rather than moving to a larger location, remodeling was chosen to better accommodate the growing staff. Moving would have cost \$110-120,000. The remodel will cost \$30,000 and the landlord is paying \$60,000 of the remodel costs. After the changes are completed, the building will hold 25 more personnel for future growth. The staff is working around the remodel and he is proud of their efforts. He asked licensees to please be patient if they come to the office for help; staff will do their best to keep the product up. **Commissioner Mosbarger** asked that someone take pictures to show the changes being made.

### **TRIBAL GAMING**

**Director Miller** said there was a meeting held in Olympia with the Governor regarding the Centennial Accord. Tribal representatives, executive cabinet and the Governor, as well as Chairman Tull, Director Miller and Sharon Tolton were present. Gambling was a main issue of concern to many of the tribes. The tribes requested a private meeting with the Governor, which he has agreed to do along with the Attorney General. Representatives from all tribes and the Gambling Commission will also attend. The meeting is expected to be held in May.

**Director Miller** said Class III gaming has recently begun expanding without compacts. The Spokane Tribe continues to operate in six locations with slot machines. The newspapers are reporting that the operators get a percentage and they lease their space to the Tribe, which owns the machines. The agency has been in constant contact with the U.S. Attorney's Office and members of Washington's Congressional delegation have asked for assistance. The Task Force bill re-enforces that machines are prohibited in this state. This illegal activity affects everything the Commission does.

**Director Miller** said the Colville Tribe has also indicated they plan to open a casino without a compact, based on the Colville court decision, which was dismissed but also struck down a major portion of the IGRA as being unconstitutional. The Tribes believe they have no need to negotiate with the state, so they plan to operate without a compact. The Gambling Commission disagrees, but has no jurisdiction to challenge the question; that has to come from the federal government. The Colvilles plan to build in Manson near Wapato Point, and also in Elmer City. The Yakama Tribe is reportedly considering a casino without a compact also. In Western Washington, negotiations are continuing with tribes who want to work with the state toward compacts. Long term, they'll be better off.

**Commissioner Heavey** asked what the federal government is doing to bring this issue to termination; **Director Miller** said they have taken no action. He said he's hopeful they will take it more seriously in the next few weeks, because what happens here has an impact around the country. **Mr. McCoy** said this is not purely

a Washington state problem. The manufacturers that are bringing machines here are also taking them into other states and causing a great deal of concern. The only U.S. Attorneys to take action are in Oklahoma. There should be some direct action taken by the Department of Justice on that issue. The laws they're seeking to enforce are all criminal and there isn't any civil remedy. The longer they wait, the more tribes will become involved. **Director Miller** said the Spokanes have been operating their machines since last September, and two more tribes -- Lummi and Colville -- have put in video pull tab machines. The manufacturer that placed the machines, International Gamco, is licensed by the Washington State Gambling Commission to make punchboards and pull tabs. The Cabazon decision came down from the federal level and declared video pull tabs to be Class III devices, which are prohibited under state law. He sent a directive to International Gamco to cease and desist supplying electronic pull tabs to those machines, which are supplied by electronic signal. The company complied and the tribes had only four to six weeks of supply left at that time. The machines should be running out of tickets very soon.

**Chairman Tull** said there are two manufacturers' licenses carried over from yesterday that will be considered now.

#### **BINGO CARD MINDER CORPORATION**

**Mr. Bishop** said they are located in Zephyr Cove, Nevada, and were incorporated in the state of Delaware. They are manufacturers of electronic daubers and electronically generated bingo cards. The president is Gerald Novotny, who is also 100 percent shareholder. The company has locations in five states where they do not have gambling licenses, although they have a temporary license in Nevada. Staff completed a background check on all key employees, officers and the source of funds. Staff recommends the licensing of Bingo Card Minder as a manufacturer of bingo equipment, a Class A license only. They could not be involved in punchboards and pull tabs at this time. **Chairman Tull** said the commissioners have received and read the documents prepared by staff. **Commissioner Graham** moved for approval; **Commissioner Mosbarger** seconded the motion, motion carried.

#### **FORTUNET, INC.**

**Mr. Bishop** said Fortunet's headquarters is in Las Vegas, Nevada, and they are incorporated in the state of Nevada. They are applying for a license to manufacture the same equipment -- electronic daubers and electronically generated bingo cards. The company is owned 100 percent by the president. They do not have a licensed manufacture representative because the corporation's officers are involved in the sales events in Washington and would not require a license. They are doing business in three states and are licensed in two: Minnesota and Nevada. Personal and source of funds background checks were completed. The corporation was built from scratch, in his basement, so the funds come from previous operating sources. Staff recommends licensing of Fortunet Inc. with a Class A manufacturing license. **Commissioner Mosbarger** moved for approval, **Commissioner Graham** seconded the motion, motion carried.

#### **ADOPT OR AMEND RULES**

**Sharon Tolton** said these are all housekeeping changes filed as intent to adopt and up for final action today.  
**Charitable/Nonprofit Organizations**

(A) **Amendatory Section WAC 230-02-161**

**BONA FIDE NONPROFIT ORGANIZATION DEFINED.**

(B) **Amendatory Section WAC 230-04-035**

**CERTIFICATION PROCEDURE--CHARITABLE AND NONPROFIT ORGANIZATIONS--CLASSIFICATION OF PURPOSE.**

(C) **Amendatory Section WAC 230-04-075**

**NO LICENSE REQUIRED FOR CERTAIN BINGO, RAFFLES, AND AMUSEMENT GAMES.**

## **RECORDKEEPING REQUIREMENTS**

- (D) **Amendatory Section WAC 230-08-015**  
**CERTAIN LOWER VOLUME LICENSEES MAY MEET REDUCED RECORDKEEPING REQUIREMENTS.**

## **RULES OF GENERAL APPLICABILITY**

- (E) **Amendatory Section WAC 230-12-010**  
**INSPECTION OF PREMISES, RECORDS AND DEVICES.**
- (F) **Amendatory Section WAC 230-12-305**  
**LICENSEE REQUIRED TO SUBMIT UPDATED DOCUMENTS OR INFORMATION.**

## **BINGO**

- (G) **Amendatory Section WAC 230-20-064**  
**MAXIMUM RECEIPTS, PRIZES, AND EXPENSES FOR BINGO GAMES--NET INCOME REQUIRED.**
- (H) **Amendatory Section WAC 230-20-111**  
**PROMOTIONAL ACTIVITIES--PERFORMANCES AS GIFTS--ADVANCED APPROVAL REQUIRED.**
- (I) **Amendatory Section WAC 230-20-220**  
**OPERATORS SHALL NOT PLAY.**
- (J) **Amendatory Section WAC 230-20-230**  
**FREE GAMES FOR WINNERS PROHIBITED.**
- (K) **Amendatory Section WAC 230-20-400**  
**CERTAIN LOWER VOLUME LICENSEES EXEMPTED FROM CERTAIN RULES.**

## **COMMERCIAL AMUSEMENT GAMES**

- (L) **Amendatory Section WAC 230-20-680**  
**COMMERCIAL AMUSEMENT GAMES--OPERATION RESTRICTIONS.**

## **PUNCHBOARDS/PULL TABS**

- (M) **Amendatory Section WAC 230-25-160**  
**PULL TABS AT FUND RAISING EVENTS--OPERATIONAL REQUIREMENTS--LIMITATIONS.**
- (N) **Amendatory Section WAC 230-30-060**  
**PUNCHBOARD RESTRICTIONS.**
- (O) **Amendatory Section WAC 230-30-072**  
**PUNCHBOARD AND PULL TAB INVENTORY AND RETENTION REQUIREMENTS.**
- (P) **Amendatory Section WAC 230-30-102**  
**PULL TAB SERIES ASSEMBLY AND PACKAGING.**
- (Q) **Amendatory Section WAC 230-30-103**  
**STANDARDS FOR CONSTRUCTION OF PULL TABS.**

## CARDROOMS

### (R) Amendatory Section WAC 230-40-055

#### CARD TOURNAMENTS FOR FEE AND PRIZES--REPORTING REQUIREMENTS.

**Ms. Tolton** said this packet of 18 rules contains housekeeping changes to bring the new rules manual up to date. **Chairman Tull** asked for questions from commissioners and audience members. **Director Miller** requested these rules become effective in 31 days after filing, due to rules manual printing. **Chairman Tull** said this is the last opportunity for public comments and are mainly clerical and housekeeping revisions and updates. No one came forward. **Commissioner Heavey** said he has reviewed these rule changes and found them to be housekeeping in nature; **Commissioner Heavey** moved for adoption; **Commissioner Mosbarger** seconded the motion; motion carried.

#### Presented by Staff for Discussion and Possible Filing.

**Ms. Tolton** said the following nine rules are also housekeeping changes, and she said it is up to the discretion of the commissioners to review them for final adoption at the next meeting instead of the formal three-hearing process usually used for other rules.

## GENERAL PROVISIONS AND DEFINITIONS

### (A) Amendatory Section WAC 230-02-030

#### NORMAL COMMISSION OPERATIONS--ADMINISTRATIVE OFFICE ADDRESS AND BUSINESS HOURS.

The Post Office changed the agency's street address to 649 Woodland Square Loop S.E., so this request is to change to our P.O. Box number instead of having to change the street address again if we move. **Chairman Tull** suggested it would help people trying to find the office location if the street address were listed in addition to the post office box; staff and other commission members concurred.

### (B) Amendatory Section WAC 230-02-125

#### ADJUSTED NET GAMBLING RECEIPTS DEFINED.

**Ms. Tolton** said this clarifies by taking out the language "along with" in paragraph five, and inserts "and keep" copies of all receipts.

## RECORDS AND REPORTS

### (C) Amendatory Section WAC 230-08-120

#### QUARTERLY ACTIVITY REPORT BY OPERATORS OF BINGO GAMES (LICENSE CLASS D AND ABOVE).

**Ms. Tolton** said this clarifies wording as requested by the agency's financial reporting section. It was difficult to read the signatures so they requested printed contact names so they can read who to call. **Commissioner Heavey** asked about reporting the fair market value of the prize and how deleting that will change policy; **Mr. Bishop** said he thinks that was an error and should not be deleted. **Ms. Tolton** said it's possible the change to the form may have accommodated part of this language and she would check on that. **Commissioner Graham** asked if the signature is still needed for legitimacy; **Ms. Bishop** said the printed name would only be that of the preparer, and signatures are still required for highest ranking officer for legitimacy. The next four rules are the same as this one but for different forms. **Mr. Miller** said item (C) could be filed now and amended if that portion of the line should remain after staff reviews the possible mistake.

### (D) Amendatory Section WAC 230-08-130

#### QUARTERLY ACTIVITY REPORTS BY OPERATORS OF PUNCHBOARDS AND PULL TABS.

### (E) Amendatory Section WAC 230-08-150

#### QUARTERLY ACTIVITY REPORTS BY MANUFACTURERS.

### (F) Amendatory Section WAC 230-08-160

## QUARTERLY ACTIVITY REPORTS BY OPERATORS OF SOCIAL AND PUBLIC CARD ROOMS.

### (G) Amendatory Section WAC 230-08-260 FUND RAISING EVENTS--ACTIVITY REPORT REQUIRED.

**Ms. Tolton** said these could be final at the next meeting if the commissioners decide to act on them at that time, since they are housekeeping changes. **Chairman Tull** said these may not require the paper and agenda space normally devoted to substantive rules, although there is a slight dilemma with 4 (D) and the deletion. **Commissioner Heavey** moved to file this set of rules with the change in item 4 (C) to reinstate the language "Donated prizes will be recorded at the fair market value..." **Commissioner Graham** seconded the motion. **Chairman Tull** asked for clarification that the motion includes the other rules as presented to be filed for action at next month's meeting; **Commissioner Heavey** and **Commissioner Graham** each said yes. **Ms. Tolton** said (H) and (I) are also part of this packet.

## FUND RAISING EVENTS

### (H) Amendatory Section WAC 230-25-200 BINGO AT FUND RAISING EVENT.

## PUNCHBOARDS AND PULL TABS

### (I) Amendatory Section WAC 230-30-050 PUNCHBOARD AND PULL TAB OPERATION.

**Ms. Tolton** said these are both housekeeping changes as well. **Chairman Tull** clarified that the motion and second includes items 4 (C) through 4 (I); vote taken and motion carried to file for consideration and possible final action at the April 1994 Commission meeting.

## PETITION

Tab King Distribution, Fife, seeks amendments to WAC 230-12-200 -- Prohibited Practices--Contracts--Gifts--Rebates, etc. **Ms. Tolton** said that Mr. Panagiotu has requested a postponement on the petition pending additional discussion on mutual concerns of the staff and his company.

## UNFINISHED BUSINESS

**Chairman Tull** said the appeal from yesterday's meeting is the only unfinished item he is aware of. The appeal by The Shed Corporation was argued before the Commission yesterday afternoon. The three commissioners present for the appeal deliberated in executive session and an effort will be made in the coming week or so to circulate a proposed decision and order. Due to the complexity of the matter, it is not possible to give any details on the decision now. He requested that staff notify the appellant.

## COMMENTS OF PUBLIC OR PUBLIC OFFICIALS

**Don Kaufman**, of Big Brothers/Sisters of Spokane, asked about Senate Joint Memorial 8028. **Director Miller** said that SJM 8028 did not pass the Senate. The intent was to ask Congress to clarify the Indian Gaming Regulatory Act to say that only state law would apply on limits, but the actual language was ambiguous. The Senate was unsure this measure would accomplish much, and that it would create animosity instead. **Don Kaufman** offered his and other organizations' help in the future on any efforts such as this, and he would like to be involved in helping something like this pass. **Director Miller** said the Gambling Commission did not request the joint memorial, it was an individual senator. A Senate Joint Memorial doesn't carry that much weight. **Mr. Kaufman** said Spokane is surrounded by Idaho tribes, the Spokane Indian Tribe and the Colville

Tribe, all of which are running electronic machines that look like Class III gaming. He said the Idaho governor signed compacts with two Indian tribes to bring in video pull tab machines without taking the compact to the legislature. Now there are video pull tab machines on the Coeur d'Alene reservation and in Bonners Ferry, Idaho. He said the memorial could have clarified what can and can't be done on a state basis via the federal.

**Director Miller** said the language of the memorial and the intent of the sponsoring senator was beyond what was permissible for negotiation. The issue is being worked on at the national level and there's a committee trying to find a compromise. Senator Inouye will have a bill coming in July to set forth his position. There are also a lot of court cases pending that will settle a lot of these issues. **Mr. Kaufman** said he is concerned that action will not be taken in time. **Director Miller** said the Task Force bill is more effective than the joint memorial effort, because the bill clarifies what can be negotiated in the area of machines, which sends a strong message to any federal court looking at Washington state law.

**Chairman Tull** asked that licensees from the Grays Harbor area raise their hands; several were present. He said this is the first meeting held in Aberdeen. **Chairman Tull** said the director has requested an executive session after today's public session. There will be no action taken after executive session, which will last approximately a half hour. **Chairman Tull** adjourned the meeting.

NOTE: THESE PRINTED MINUTES PLUS THE TAPES CONSTITUTE THE FULL MINUTES.

Susan D. Green  
Executive Secretary